

IN THE CHANCERY COURT FOR SHELBY COUNTY, TENNESSEE
THIRTIETH JUDICIAL DISTRICT AT MEMPHIS

STATE OF TENNESSEE, *ex rel.* ROBERT)
E. COOPER, JR., Attorney General and)
Reporter,)

Plaintiff,)

v.)

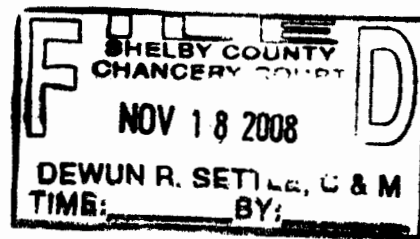
PATRICK & PATRICK, LLC, a for-profit)
Tennessee limited liability company doing)
business as PATRICK & PATRICK)
LOSS MITIGATION SERVICES, LLC)
and as an "Independent VRTMG Agent" of)
VR TECH MARKETING GROUP, LLC;)
and DENISE PATRICK also known as)
SONDRETTE D. PATRICK, individually)
and doing business as PATRICK &)
PATRICK LOSS MITIGATION)
SERVICES, LLC and as an "Independent)
VRTMG Agent" of VRTECH)
MARKETING GROUP, LLC,)

Defendants.)

No.

CH-08-2130-2J

JURY DEMAND



COMPLAINT FOR TEMPORARY AND PERMANENT INJUNCTIVE AND OTHER RELIEF

This civil law enforcement action is brought in the name of the State of Tennessee, by and through the Attorney General and Reporter, Robert E. Cooper, Jr. ("Attorney General"), pursuant to the request of Mary Clement, Director of the Division of Consumer Affairs of the Department of Commerce and Insurance ("Director"), under the Tennessee Consumer Protection Act of 1977 ("TCPA"), Tenn. Code Ann. § 47-18-101 *et seq.* Pursuant to Tenn. Code Ann. § 47-18-1010, the Attorney General may also institute a proceeding under the TCPA if he has reason to believe that Defendants violated the Tennessee Credit Services

Businesses Act, Tenn. Code Ann. § 47-18-1001 *et seq.* In addition to the authority granted to the Attorney General under the TCPA, the Attorney General's authority for this action also stems from Tenn. Code Ann. § 23-3-103 of the Unauthorized Practice and Improper Conduct statutes, Tenn. Code Ann. § 23-3-101 *et seq.*, the Attorney General's general statutory enforcement authority under Tenn. Code Ann. § 8-6-109 and the Attorney General's authority at common law.

The Attorney General and the Director have reason to believe that Defendants have violated the Tennessee Consumer Protection Act by engaging in unfair and deceptive acts and practices in connection with offering and charging for foreclosure rescue services to consumers who are facing foreclosure in this current mortgage and economic crisis.

The Attorney General and the Director also have reason to believe that the Defendants have violated the Tennessee Consumer Protection Act by engaging in unfair and deceptive acts and practices in connection with offering credit repair services that Defendants are not authorized to provide in Tennessee.

Pursuant to Tenn. Code Ann. § 47-18-108(a)(2), the Division has determined in writing that the purposes of the TCPA would be substantially impaired by further delay in instituting legal proceedings by giving ten (10) days notice to the Defendants. Therefore, Defendants were not given ten (10) days notice of intent to sue. *See* Exhibit A, Affidavit of Mary Clement, Director of the Division of Consumer Affairs of the Department of Commerce and Insurance.

I. JURISDICTION AND VENUE

1. This Court exercises jurisdiction over the subject matter of this Complaint and the parties pursuant to Tenn. Code Ann. §§ 23-3-103(c)(2), 47-18-108 and 47-18-114.

Defendants are located in Tennessee and have been and are promoting their foreclosure rescue services business via the Internet, via the telephone, and in person in this jurisdiction.

2. Venue is proper in Shelby County pursuant to Tenn. Code Ann. § 47-18-108(a)(3) because it is the county where the unfair and deceptive acts and practices alleged in this Complaint have occurred, are occurring, or are about to occur.

3. Venue is also proper in Shelby County pursuant to Tenn. Code Ann. § 23-3-103(c)(2), because it is the county where the alleged violations took place or are about to take place, and it is the county where the Defendants conduct, transact or have conducted business.

II. DEFENDANTS

4. Upon information and belief, Defendant Patrick & Patrick, LLC doing business as Patrick & Patrick Loss Mitigation Services, LLC ("Patrick & Patrick"), is a for-profit limited liability company registered to do business in the State of Tennessee.

According to the documents filed with the Tennessee Secretary of State, Defendant Patrick & Patrick is located at 8487 Freiden Trail, Memphis, Tennessee 38125. Defendant Patrick & Patrick's registered agent for service of process is Sondrette D. Patrick, 8487 Freiden Trail, Memphis, Tennessee 38125. At all times relevant to this Complaint, Defendant Patrick & Patrick, in the ordinary course of its business, regularly solicits and purports to provide consumers with foreclosure assistance, for which a service fee is charged.

5. Upon information and belief, Defendant Denise Patrick, also known as Sondrette D. Patrick ("Denise Patrick"), is an individual residing in Shelby County, Tennessee at 8487 Freiden Trail, Memphis, Tennessee 38125. According to the records filed on behalf of Defendant Patrick & Patrick with the Tennessee Secretary of State, Defendant

Denise Patrick is and has been the secretary, member and “officer” of Defendant Patrick & Patrick. At all times relevant to this Complaint, Defendant Denise Patrick, in the ordinary course of her business, regularly solicits and purports to provide consumers with foreclosure assistance, for which a service fee is charged. At all times relevant to this Complaint, Defendant Denise Patrick has actively participated in the acts and practices at issue in this Complaint including the unlawful conduct alleged herein and/or has had the authority and/or control to stop Defendants’ violations of the law.

6. Upon information and belief, Defendant Patrick & Patrick and Defendant Denise Patrick have operated, controlled and conducted business via the Internet website, www.patrickandpatricklm.com.

7. Upon information and belief, Defendant Patrick & Patrick and Defendant Denise Patrick have also offered the services of a credit services business as an “Independent VRMTG Agent” of VRTech Marketing Group, LLC, via the Internet website, <http://www.vrtechmarketinggroup.com/dpatrick/>.

8. Defendant Patrick & Patrick and Defendant Denise Patrick are collectively referred to herein as “Defendants.”

III. FACTUAL ALLEGATIONS

Upon information and belief, the State alleges as follows:

OVERVIEW

9. As a preface, the State of Tennessee generally alleges that the Defendants have engaged in unlawful conduct in the way they advertise, offer, and provide “foreclosure rescue” services. Defendants offer services in a manner that is misleading to consumers.

Basically, Defendants represent to consumers that they will keep a consumer's home out of foreclosure but fail to deliver as promised.

10. The State generally alleges that the Defendants have: (a) offered services or guaranteed results that they could not or did not provide; (b) offered legal advice to consumers when they are not attorneys; (c) taken fees from consumers without providing any benefit or corresponding service; (d) failed to deliver on promises made to consumers often leaving consumers in a worse position than they would have been without the "services" of the Defendants; and (e) offered credit repair services in the State of Tennessee without having first registered a statutorily-required bond with the State of Tennessee.

11. Further, the State alleges that Defendants have collected a substantial amount of money from Tennessee consumers without providing the promised services and Tennessee consumers have suffered ascertainable losses as a result of Defendants' conduct.

FACTUAL ALLEGATIONS

12. Defendants solicit consumers to pay for their foreclosure rescue services by cold calling consumers at their homes. These consumers had all fallen behind on their mortgages and had received notices of foreclosure.

13. A woman who identifies herself as Denise Patrick typically calls a consumer, tells the consumer she knows that his or her house is about to be foreclosed on, and then promises to save his or her house from foreclosure.

14. Defendant Denise Patrick, on behalf of the Defendants, tells the consumers that she learned of the impending foreclosures from public listings.

15. Defendant Denise Patrick, on behalf of the Defendants, told some consumers that she had been doing this type of foreclosure rescue work for many years and in at least

one case told a consumer that she had helped many elite people like doctors and lawyers with foreclosure situations.

16. Defendant Denise Patrick, on behalf of the Defendants, told some consumers that she had contacts with their respective mortgage companies and could work with them to stop the impending foreclosures.

17. Defendant Denise Patrick, on behalf of the Defendants, told some consumers that their mortgage companies would not be willing to work with them directly and that they needed Defendants to work with the mortgage companies directly on their behalves.

18. During this initial telephone call, Defendant Denise Patrick, on behalf of the Defendants, then asked consumers about the amount of their monthly mortgage payment. Defendant Denise Patrick, on behalf of the Defendants, then said that she needed the amount of one monthly mortgage payment and an additional \$300.00 for service fees for Defendants to help the consumers.

19. Defendant Denise Patrick, on behalf of the Defendants, told consumers that the amount of the one month mortgage payment was for Defendants to forward to their respective mortgage servicers. In at least one case, Defendant Denise Patrick, on behalf of the Defendants, said that she would use that payment amount to negotiate a loan modification with the mortgage company.

20. Defendant Denise Patrick, on behalf of the Defendants, instructed some consumers to go to First Tennessee Bank and directly deposit the one month mortgage payment amount and \$300.00 in fees into Defendants' bank account.

21. Defendant Denise Patrick, on behalf of the Defendants, instructed at least one consumer to pay with her debit card. When the consumer received a receipt for this debit card transaction in the mail, Defendants had redacted their physical address.

22. Defendants only corresponded with consumers by telephone, fax, and in person at the consumers' homes. Defendants only used a Post Office Box for their address on paperwork. Consumers did not have a physical office location to go to if they had problems getting in touch with Defendants.

23. In some cases, Defendant Denise Patrick, on behalf of the Defendants, insisted on setting up appointments to come to the consumers' homes later that same day or the next day to talk about her foreclosure rescue services, pressure consumers to sign contracts, and collect money for the one month mortgage payment amount and Defendants' fees.

24. In some cases, if consumers were not financially able to pay Defendants the entire amount of the one month mortgage payment and \$300.00 service fees, Defendant Denise Patrick, on behalf of the Defendants, made these consumers sign a promissory note for the remaining amount. These promissory notes stated that if the consumers did not pay the remaining balance by the due date, the contracts would be "null and void."

25. Defendant Denise Patrick always seemed to be in a hurry with the consumers and pressured consumers to pay her that day so she could get started right away on saving their homes from foreclosure.

26. One consumer was already receiving free foreclosure counseling from a certified counselor but Defendant Denise Patrick, on behalf of the Defendants, told him that Defendants could handle his situation better than the certified free counselor and could stop his foreclosure now.

27. Defendant Denise Patrick, on behalf of the Defendants, also pressured consumers to get a copy of her contract, sending some to a local Kinko's to receive it, and then pressured them to sign it that day and return it so that she would have time to get their foreclosures stopped.

28. Defendants made consumers sign extensive paperwork.

29. In the situations where Defendant Denise Patrick, on behalf of the Defendants, went to the consumer's house for a meeting, she rushed through the paperwork without explaining what the consumer was actually signing.

30. In other cases where Defendant Denise Patrick never even met the consumer in person, she would fax over the paperwork without any explanation other than circling "Urgent" on fax cover sheets and instructing consumers to sign by the X and return. In all cases, Defendants had marked with an X the places where the consumer was to initial and/or sign the paperwork.

31. Defendants' extensive paperwork that they make consumers sign without explanation or much time for review includes a contract for services, an authorization form to grant permission to contact the consumer's mortgage servicer, an Addendum 1 titled "Client Responsibilities During Loss Mitigation Processing," and a "Notice of Right to Cancel."

32. Defendants attempted to trick consumers with the "Notice of Right to Cancel." Defendants' form notice has a first signature line acknowledging that consumers may cancel their contract within three (3) business days of signing the contract. Defendants then included a second signature line at the very bottom of the page under some language purporting to waive their right to cancel. Defendants only deceptively marked the second signature line regarding waiver for consumers to sign and date.

33. In at least one case, Defendants incorrectly dated the deadline of the consumer's right to cancel to be shorter than three (3) business days and fell over a weekend.

34. In at least one case, consumers had not even signed their contract before paying Defendants. When these consumers asked for a refund, Defendant Denise Patrick, on behalf of the Defendants, misrepresented that their three day right to cancel had passed even though consumers still had not signed the contract. These consumers felt pressured enough to sign the contract two days later in the hope that Defendants would at least perform the foreclosure rescue services for them if they were not going to receive a refund.

35. In some cases, after having more time to review the contracts they had to sign, consumers decided they wanted to cancel. Consumers contacted Defendants within three (3) business days of signing their contracts yet Defendants wrongfully refused to refund any money.

36. When consumers contacted Defendants to cancel their contracts and ask for full refunds, Defendants then surprised consumers by telling them that the one monthly mortgage payment amounts and the \$300.00 fees were all going to Defendants' services.

37. Defendant Denise Patrick, on behalf of the Defendants, often changed her fees at this time and for the first time told consumers that she charged \$200.00 an hour for her services and had already billed all of the money paid to her. Defendants also told consumers that they had signed a waiver of their right to cancel.

38. Defendants incorrectly refused to refund any and all money paid to them to consumers.

39. Some consumers later found out from their mortgage servicers that Defendants did not forward their mortgage payment to their respective mortgage servicers as

the consumers understood would occur but instead Defendants wrongfully kept it for themselves.

40. In some cases, consumers were shocked to learn from their mortgage servicers that Defendants had never even contacted them on the consumer's behalf.

41. Defendant Denise Patrick, on behalf of the Defendants, instructed consumers to not contact their mortgage servicer because it would mess up Defendants' negotiations.

42. In at least one case, Defendant Denise Patrick, on behalf of the Defendants, told the consumer about her mortgage servicer's alleged proposed loan modification plan which was too much for the consumer to pay anyway. When the consumer later contacted the mortgage servicer directly, she was told that the mortgage servicer did not negotiate at all with Defendants about her situation.

43. In some cases, Defendant Denise Patrick, on behalf of the Defendants, gave legal advice to consumers by advising them to either file for bankruptcy or not file for bankruptcy.

44. In some cases, after leading consumers to believe that she could stop the foreclosures on their homes and accepting money to perform these services, Defendant Denise Patrick, on behalf of the Defendants, later told these consumers that she was unable to help them and referred some of them to certain attorneys. Denise Patrick, on behalf of the Defendants, did not refund to these consumers the money that she accepted for these services that she failed to perform.

45. Some consumers lost their homes to foreclosure as a result of Defendants' failure to perform the promised foreclosure rescue services.

46. Some consumers had to pay an attorney to fix their foreclosure situations that Defendants had not helped or had made worse.

47. Some consumers regrettably had to file bankruptcy to save their homes from foreclosure after Defendants failed to provide the promised foreclosure rescue services.

48. At least one consumer found out that Defendants had not performed any substantive work on her behalf but she was fortunately able to stop the foreclosure by working directly with the mortgage company.

49. One consumer owned three properties for which Defendant Denise Patrick, on behalf of the Defendants, promised to save from foreclosure. Consumer then found out that one of the homes had already been foreclosed on but Defendant Denise Patrick seemed to be unaware despite claiming to have been in contact with the mortgage company. After paying Defendants to save the other two houses, Defendants failed to save the second house. Defendant Denise Patrick, on behalf of the Defendants, then advised the consumer to file bankruptcy to save the third house and referred the consumer to a bankruptcy attorney. This third house was foreclosed upon but the attorney worked out a deal to keep the consumer living in her house.

50. At all times relevant to this Complaint, Defendant Denise Patrick has actively participated in the acts and practices at issue in this Complaint including the unlawful conduct alleged herein and/or has had the authority and/or control to stop Defendants' violations of the law.

51. Defendant Denise Patrick has also promoted Defendants' services by use of the following business card with the title "Senior Specialist" under her name and the company name of "Patrick & Patrick Loss Mitigation Services":



DENISE PATRICK
Senior Specialist

Patrick & Patrick
Loss Mitigation Services

P.O. Box 753261
Memphis, TN 38175-3261
patrickandpatricklm.com

Telephone (901) 757-4255
Fax (901) 757-4255

52. Defendants promote their foreclosure rescue services via the Internet at www.patrickandpatricklm.com.
53. Defendants promote their foreclosure rescue service on the home page of www.patrickandpatricklm.com which states the following:

Welcome to Patrick & Patrick Loss Mitigation Services, and thank you for visiting our website. Patrick & Patrick Loss Mitigation Services is a Tennessee corporation specializing in providing foreclosure assistance to homeowners in need of assistance to stop the foreclosure process on their home.

Our company specializes in out-of-court resolutions of mortgage foreclosures, by negotiating with your lender. These mortgages include Conventional and Non-Conventional Loans including VA, FHA, Freddie Mac, Fannie Mae, and Rural Administration Loans. Avoiding Foreclosure is possible if you **contact us** before it is too late. Our Loss Mitigation foreclosure services efforts will make this time less stressful for you.

We specialize in out-of-court resolutions of mortgage foreclosures by negotiating with your lender. If you want to get out of Foreclosure, we can negotiate with your lender to Avoid Foreclosure or Stop Foreclosure and get you back on track. The longer you wait to make a decision, the harder it will be to stop the foreclosure. Another service we offer is credit restoration, this department would work with the home owner to bring there credit score up so they can refinance at a lower interest rate. You must act quickly! If you do nothing, you will lose your home and your credit record will be devastated.

On this site, you will find valuable information about the products and services we offer, as well as how best to contact a member of our team. Please take a few moments to browse our web site and learn a little bit more about us.

In our business, Quality and Customer Service are our first priority. We emphasize the importance of servicing our customers at all levels of our organization. Our goal is to make your experience with our company both positive and rewarding.

STOP FORECLOSURE FAST!

Foreclosure may occur. This is the legal means that your lender can use to repossess (take over) your home. When this happens, you must move out of your house. If your property is worth less than the total amount you owe on your mortgage loan, a deficiency judgment could be pursued. If that happens, you not only lose your home, you also would owe HUD an additional amount.

Both foreclosures and deficiency judgments could seriously affect your ability to qualify for credit in the future. So you should avoid foreclosure if possible.

Avoid Foreclosure Let Us help You Keep your Home!
1-866-303-4808

54. Defendants also promote their foreclosure rescue services and alleged

experience on the "About Us" page of www.patrickandpatricklm which states the following:

About Us

We have 15 years experience in assisting people in bringing their mortgage payments up to date. We provide counseling services as a community service to homeowners in the Tennessee area for the following type loans-privately held mortgages, conventional, FHA, VA, FmHA and VHDA guaranteed mortgages. We work with all major mortgage lenders in the United States. We specialize in stopping foreclosures. When we identify clients who are experiencing difficulty meeting their mortgage obligations we work with them to determine feasible solutions to allow both the note holder to be satisfied and the client to keep their most important investment-their home.

The criteria is simple, they must be 2 months or more behind on their mortgage. They must be receiving income whether from employment or social service payments, does not matter. They must be able to demonstrate that they can resume their mortgage payments or new payments once the mortgage delinquency has been paid.

If you have any questions, please feel free to call us at (901) 757-4266 or call our toll free number at 866-303-4808.

Sincerely,

Denise Patrick

55. Defendants have also offered a credit services business as an “Independent VRMTG Agent” of VRTech Marketing Group, LLC, via the Internet website, <http://www.vrtechmarketinggroup.com/dpatrick>.

56. Defendant Patrick & Patrick is not registered to provide credit services in the State of Tennessee.

57. Defendant Denise Patrick is not registered to provide credit services in the State of Tennessee.

58. VRTech Marketing Group, LLC is not registered to provide credit services in the State of Tennessee.

59. Defendant Denise Patrick is not an attorney nor licensed to practice law in the State of Tennessee.

60. To the best of the State’s knowledge, Defendants and their employees were not certified to provide either foreclosure or debt counseling during times relevant to this Complaint.

61. Defendants failed to disclose, either at all or clearly and conspicuously, that their foreclosure rescue services cost a fee on their website, www.patrickandpatricklm.com.

62. Free certified foreclosure counselors are available to consumers through various organizations listed on Tennessee Housing Development Agency’s website, www.thda.org.

63. Defendants failed to assist some consumers in preventing foreclosures or their homes despite representations that they could in fact prevent foreclosures and after accepting a fee for their promised foreclosure rescue services.

IV. VIOLATIONS OF THE LAW

COUNT I: TENNESSEE CONSUMER PROTECTION ACT

64. Plaintiff incorporates by reference and realleges each and every allegation contained in Paragraphs 1-63 of this Complaint.

65. At all times relevant to this Complaint, the conduct alleged in this Complaint occurred in the conduct of “trade,” “commerce” and/or a “consumer transaction” and the offering of, or providing of, “goods” and/or “services” as defined in Tenn. Code Ann. § 47-18-103(5), (10) and (11).

66. All of the acts and practices engaged in and employed by Defendants as alleged herein are “unfair or deceptive acts or practices affecting the conduct of any trade or commerce” in Tennessee, which are declared unlawful by Tenn. Code Ann. § 47-18-104(a).

67. Each and every unfair or deceptive act or practice engaged in by Defendants as recited above constitutes a separate violation of the Tennessee Consumer Protection Act as provided by Tenn. Code Ann. § 47-18-104(b).

68. By representing that services have sponsorship, approval, characteristics, ingredients, uses, benefits or quantities that they do not have or that a person has a sponsorship approval, status, affiliation or connection that such person does not have, Defendants have violated Tenn. Code Ann. § 47-18-104(b)(5).

69. By representing that services are of a particular standard, quality or grade, if they are of another, Defendants have violated Tenn. Code Ann. § 47-18-104(b)(7).

70. By representing that a consumer transaction confers or involves rights, remedies, or obligations that it does not have or involve or which are prohibited by law, Defendants have violated Tenn. Code Ann. § 47-18-104(b)(12).

71. All of the acts and practices engaged in and employed by Defendants as alleged herein are unfair and deceptive to consumers in violation of Tenn. Code Ann. § 47-18-104(b)(27).

72. By engaging in home solicitations of Defendants' foreclosure rescue services and not complying with the statutory requirements regarding the buyer's right to cancel a contract and obtain a refund, Defendants have violated the Tennessee Home Solicitation Sales Act of 1974, Tenn. Code Ann. § 47-18-701 *et seq.*, which Plaintiff alleges constitutes violations of the Tennessee Consumer Protection Act.

COUNT II: TENNESSEE CREDIT SERVICES BUSINESSES ACT

73. Plaintiff incorporates by reference and realleges each and every allegation contained in Paragraphs 1-63.

74. By making or using any untrue or misleading representations in the offer or sale of the services of a credit services business or engaging, directly or indirectly, in any act, practice, or course of business which operates or would operate as a fraud or deception upon any person in connection with the offer or sale of the services of a credit services business, Defendants have violated Tenn. Code Ann. § 47-18-1003(4).

75. By providing, in any manner, the services of a credit services business within this state, without registering a bond consistent with the provisions of Tenn. Code Ann. § 47-18-1011, Defendants have violated Tenn. Code Ann. § 47-18-1003(6).

76. By failing to register with the Tennessee Department of Commerce and Insurance and post the statutorily mandated bond before conducting business in the State of Tennessee, Defendants have violated Tenn. Code Ann. § 47-18-1011.

77. Pursuant to Tenn. Code Ann. § 47-18-1010(a), all of the violations of the Tennessee Credit Services Businesses Act listed in Paragraphs 74-76 constitute violations of the Tennessee Consumer Protection Act.

COUNT III: UNAUTHORIZED PRACTICE OF LAW

78. Plaintiff incorporates by reference and re-alleges each and every allegation contained in Paragraphs 1-63 of this Complaint.

79. By advising or counseling consumers for a valuable consideration regarding secular laws, Defendants have been and are engaging in “law business” pursuant to Tenn. Code Ann. § 23-3-101(1).

80. By soliciting directly or indirectly to provide such services as the advising or counseling of consumers as to secular laws for valuable consideration, Defendants have been and are engaging in “law business” pursuant to Tenn. Code Ann. § 23-3-101(1).

81. By engaging in the “law business” without having been duly licensed, Defendants have engaged in the unlawful practice of law, in violation of Tenn. Code Ann. § 23-3-103(a).

DEMAND FOR RELIEF

WHEREFORE, Plaintiff, State of Tennessee, through its Attorney General and Reporter, Robert E. Cooper, Jr., pursuant to the Tennessee Consumer Protection Act, the Tennessee Credit Services Business Act, the Tennessee Unauthorized Practice and Improper Conduct statutes, the Attorney General's general statutory authority, the Attorney General's common law authority and this Court's equitable powers, prays:

1. That this Complaint be filed without cost bond as provided by Tenn. Code Ann. § 47-18-116;
2. That process issue and be served upon Defendants, requiring them to appear and answer this Complaint;
3. That this Court adjudge and decree that Defendants have engaged in the aforementioned acts or practices which violate the Tennessee Consumer Protection Act of 1977;
4. That this Court adjudge and decree that Defendants have engaged in the aforementioned acts or practices which violate the Tennessee Credit Services Businesses Act which constitute violations of Tennessee Consumer Protection Act of 1977;
5. That this Court adjudge and decree that Defendants have engaged in the aforementioned acts or practices which violate the Tennessee Unauthorized Practice and Improper Conduct statutes;
6. That, pursuant to Tenn. Code Ann. §§ 23-3-103(c)(1), (c)(3) and 47-18-108(a)(1), (a)(4), (a)(5), this Court temporarily and permanently enjoin and restrain Defendants from engaging in the aforementioned acts or practices which violate the

Tennessee Unauthorized Practice and Improper Conduct statutes, the Tennessee Consumer Protection Act of 1977, and other laws and regulations, and that such orders and injunctions be issued without bond pursuant to Tenn. Code Ann. § 47-18-108(a)(4);

7. That, pursuant to Tenn. Code Ann. § 23-3-103(c)(1), this Court make such orders or render such judgments as may be necessary to obtain restitution for any person who suffered an ascertainable loss, including statutory interest, from Defendants' violations of the Tennessee Unauthorized Practice and Improper Conduct statutes, and require that Defendants be taxed with the cost of distributing and administering the same by a third party administrator;

8. That, pursuant to Tenn. Code Ann. § 47-18-108(b)(1), this Court make such orders or render such judgments as may be necessary to restore to any consumer or other person any ascertainable loss as defined in Tenn. Code Ann. § 47-18-2102(1), including statutory interest, suffered by reason of the alleged violations of the Tennessee Consumer Protection Act of 1977, and require that Defendants be taxed with the cost of distributing and administering the same by a third party administrator;

9. That this Court make such orders or render such judgments as may be necessary to disgorge the profits and ill-gotten gains Defendants realized by reason of the alleged violations of the Tennessee Consumer Protection Act of 1977, the Tennessee Credit Services Businesses Act, and the Tennessee Unauthorized Practice and Improper Conduct statutes;

10. That, pursuant to Tenn. Code Ann. § 47-18-1007(b), if Defendants have entered into contracts to provide credit services while not having first registered a bond with the State of Tennessee and thus not complying with the applicable provisions of the

Tennessee Credit Services Businesses Act, this Court declare all such contracts to be void and unenforceable as contrary to the public policy of this State.

11. That this Court enter judgment against Defendants and in favor of the State for the reasonable costs and expenses of the investigation and prosecution of the Defendants' actions, including attorneys' fees and costs, expert and other witness fees, as provided by Tenn. Code Ann. §§ 23-3-103(c)(1) and 47-18-108(a)(5), (b)(4), and other state law;

12. That this Court adjudge and decree that Defendants pay civil penalties of not more than one thousand dollars (\$1,000.00) per violation of the Tennessee Consumer Protection Act of 1977 to the State as provided by Tenn. Code Ann. § 47-18-108(b)(3);

13. That this Court adjudge and decree that Defendants pay civil penalties of not more than ten thousand dollars (\$10,000.00) per violation of the Unauthorized Practice and Improper Conduct statutes to the State as provided by Tenn. Code Ann. § 23-3-103(c)(1);

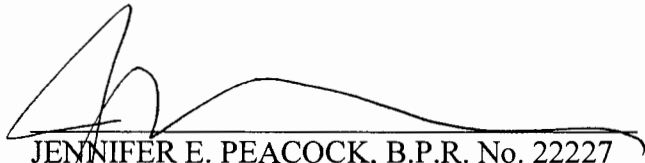
14. That all costs in this case be taxed against Defendants; and

15. That this Court grant Plaintiff such other and further relief as this Court deems just and proper.

Respectfully submitted,



ROBERT E. COOPER, JR., B.P.R. No. 10934
Attorney General and Reporter



JENNIFER E. PEACOCK, B.P.R. No. 22227

Assistant Attorney General

JEFFREY L. HILL, B.P.R. No. 16731

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